



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
EUGENE I. GESSOW, DIRECTOR

March 6, 2009

GENERAL LETTER NO. 8-G-41

ISSUED BY: Bureau of Medical Supports,
Division of Financial, Health and Work Supports

SUBJECT: Employees' Manual, Title 8, Chapter G, *CASE MANAGEMENT*; pages 39 and 40, revised; and pages 40a through 40f, new.

Summary

This chapter is revised to clarify policy on acting on changes.

Effective Date

Upon receipt.

Material Superseded

Remove from Employees' Manual, Title 8, Chapter G, pages 39 and 40, dated August 3, 2007, and destroy them.

Additional Information

Refer questions about this general letter to your area income maintenance administrator.

Income Changes Reported on Review Forms from Other Programs

Some FMAP-related Medicaid members may also receive benefits from other programs. The other programs' reporting requirements may affect Medicaid eligibility.

When income reported on a review form differs in the amount that was projected for FMAP-related Medicaid, act on the new amounts as a reported change if it is indicative of future income.

When the change is **only** due to a third or fifth check, do not enter the income for FMAP-related Medicaid. Allow the income used for eligibility the previous month to roll forward.

1. Mr. and Mrs. J apply for Medicaid and Food Assistance on May 3. They request Food Assistance for the entire family and Medicaid for just their two children. The application is approved for both programs. Mr. J's earnings are the only income for the family. At application, the projection was \$1,500 gross per month.

At recertification for Food Assistance, the J family reports that Mr. J now has monthly gross earned income of \$1,700. The worker enters the same income into the computer system for both programs.

2. Mrs. K and her two children receive Medicaid under FMAP in addition to FIP and Food Assistance. Mrs. K has earned income of \$515 bi-weekly. \$1,030 per month is entered into the computer system for all three programs.

At the next FIP review, Mrs. K reports income of \$1,545 due to a third paycheck. Since this income is not a good indicator of future income, the income of \$1,030 is allowed to roll forward for FMAP-related Medicaid.

At the next FIP review, Mrs. K reports an increase in income to \$530 bi-weekly. Since this income did not include a third check and is indicative of future income, \$1,060 is entered into the computer system for FMAP-related Medicaid.

Acting on Changes

Legal reference: 42 CFR 435.911(b) & (c), 435.916(1)(c) and (2), 435.919, 435.930, 435.948, 435.952, 435.953, 441 IAC 76.10(5); 76.11 (249A), 75.52(5)

Act on the change as soon as possible, but no later than ten working days from the date you become aware of the change, unless using the automatic redetermination policy for information received and verified after the 10th of the month.

Complete an automatic redetermination when changes are reported or become known. See [AUTOMATIC REDETERMINATION](#). Verification requirements apply before acting on changes. See 8-A [NOTIFICATION](#), for timely notice requirements.

When a probable change affects eligibility, act on the change if you have all information you need to establish eligibility, and the best information available indicates that the change will actually take place as reported.

Change Reported	Effect on Eligibility	Effective Date	Do a Recoupment or Adjustment?
Timely reporting for members is within ten days after the change occurred.			
Timely	Positive	The month following the month the change is reported . Timely notice is not required.	No, if the Department acted timely.
	Negative	The month following the month change is reported . Timely notice is required.	No, if the Department acted timely.

Change Reported	Effect on Eligibility	Effective Date	Do a Recoupment or Adjustment?
Timely reporting for members is within ten days after the change occurred.			
Not Timely (or not at all)	Positive	The month following the month the change is reported or became known. (Do not adjust benefits back to when the change occurred.)	No, if the Department acted timely.
	Negative	The month following the month the change occurred , regardless of when the change occurred or became known.	Yes, if benefits were received incorrectly. Redetermine eligibility beginning with the month following the month of the change. Lump sum prorations begin the month of receipt; therefore, so do recoupments.
Not Required to be Reported Until Annual Review	Positive	The month following the month the change is reported.	No, if the Department acted timely.
	Negative	The month following a timely notice.	No, if the Department acted timely.

Notes:

- ◆ If the change is adding someone to the eligible group or results in an application, follow application policies regarding effective dates. See 8-B, [APPLICATION PROCESSING](#).
- ◆ If the change results in cancellation from the current coverage group, follow the automatic redetermination policy on whether the information was received by or after the 10th of the month. See [AUTOMATIC REDETERMINATION](#).

- ◆ When a lump sum is not timely reported, the recoupment begins the month when the lump sum was received, because the proration begins with the month of receipt. See 8-E, [Period of Proration](#).
- ◆ If the household would have been eligible under the Medically Needy program, determine the spenddown amount for each certification period. See 8-J, [INCOME POLICIES](#).
- ◆ See 8-A, [When Timely Notice Is Not Required](#), for more information on when timely notice is not required.

1. Positive Change Timely Reported:

Mr. and Mrs. X receive Medicaid under FMAP for themselves and their children. Mr. X is the only one with income. Mrs. X reports on August 3 that Mr. X has left the home July 25.

Although the loss of a household member is negative, this change is positive because Mr. X is the only one with income. Since this change was reported timely in August, Mr. X is canceled effective September 1 and his income is no longer used for eligibility purposes. No claim is established for August.

Had this same change been reported untimely, a claim for Mr. X would have been completed for the month of August and any months thereafter, since the change occurred in July and was not reported timely.

2. Negative Change Timely Reported:

Mr. B receives Medicaid for himself and his children under FMAP. On July 23, he timely reports beginning unearned income that will make him and his children only conditionally eligible under Medically Needy (MN) with a spenddown. He provides verification timely on August 5.

The effect of the change on eligibility is adverse and requires a timely notice. The effective date of the change is September 1. The MN certification period is September/October. No claim is established for August, since the change was reported timely.

The children remain continuously eligible under FMAP until the annual review. If the children are no longer eligible at the annual review due to income, they are referred to *hawk-i*.

3. Negative Change Timely Reported:

Ms. G and her children receive Medicaid under FMAP. Ms. G starts a new job and receives her first paycheck on May 23. Ms. G reports the change timely by June 2. The worker requests verification and it is returned timely by June 15.

The effective date of the change is July 1 if the worker acts on the change by timely notice in June. The effective date of the change is August 1 if the worker acts on the change after timely notice in June but before timely notice in July.

No claim is established in either situation because the verification was received after August 10.

If Ms. G and her children go over income for FMAP and are otherwise eligible for transitional Medicaid (TM), TM begins the first of the month after FMAP ends.

The children remain continuously eligible until the annual review. If the children are no longer eligible at the annual review due to income, and TM does not apply, they are referred to *hawk-i*.

4. Positive Change Not Timely Reported but Required to Be Reported:

Mr. F's children receive Medicaid under MAC. In June, Mr. F reports that he got a new job the previous December with a new company and had a decrease in income.

Due to this change, Mr. F is eligible for Medicaid under FMAP. The effective date of the income change is July 1, since he reported the job in June.

The worker explains to Mr. F that it appears he would now be eligible for Medicaid. Mr. F states he has health insurance and doesn't want Medicaid. The children's case is changed to CMAP with Mr. F as a considered person.

In August, Mr. F calls his worker and requests Medicaid. He says he has medical bills that his health insurance didn't cover for the past six months.

Mr. F's request for Medicaid is treated as an application. The worker explores whether Mr. F is eligible for August and ongoing and for the retroactive period of May, June, and July. Mr. F is not eligible for Medicaid for February, March, and April because he requested Medicaid in August.

5. Negative Change Not Timely Reported but Required to Be Reported:

Ms. C and her children receive Medicaid under FMAP. On September 3, it is discovered that Ms. C failed to timely report beginning earned income. Ms. C received her first paycheck on July 23. Since the change was not reported timely, the effective date of the change is August 1. The worker redetermines Medicaid eligibility for August, September, and ongoing.

If a change in eligibility occurs, a timely notice must be issued. If appropriate, a claim is established for Ms. C.

If eligibility is only under Medically Needy with a spenddown, the certification period is August and September.

The children remain continuously eligible under FMAP until the annual review. If they are over income for MAC at the annual review, they are referred to *hawk-i*.

6. Required to Be Reported Only at Annual Review But Reported Earlier:

Mr. G and his children are approved for Medicaid under FMAP in November. In December, Mr. G goes from part-time employment to full-time employment at the same company. Mr. G reports this to his worker the following February. The increase in income makes the family over income for FMAP.

Although the change was not required to be reported until the annual review, since it was reported, the worker acts on the report and the family is eligible for transitional Medicaid (TM) beginning March 1.

It is not a negative action to change coverage from FMAP to TM since they are both full Medicaid programs. Therefore, a ten-day negative action is not sent for FMAP, although a TM notice is issued.

No claim is established, since Mr. G was not required to report the increase in income until the annual review.

7. Reported at the Annual Review as Required:

Mr. J and his children are approved for Medicaid under FMAP in November. In December, Mr. J goes from part-time employment to full-time employment at the same company. Mr. J reports this at his annual review in October.

The increase in income makes the family over income for FMAP. They are eligible for transitional Medicaid (TM) beginning November 1.

No claim is established, since this was not a new job but an increase in income and it was not required to be reported between annual reviews.

Had Mr. J changed employers, he would have been required to report the new job since it is stopping and starting income.

8. Addition of Household Member Reported Timely; Cancellation and Automatic Redetermination; Information Received by 10th of Month:

Ms. K and her children receive Medicaid under FMAP. On April 20, Mr. K joins the household and the change is timely reported to the Department. Mr. K requests Medicaid and has unearned income. The worker requests necessary information and it is timely provided May 10.

The unearned income makes the family over income for FMAP. The children are continuously eligible until the annual review when eligibility is examined.

The worker completes an automatic redetermination to MN for the parents in May, effective June 1. An April/May MN certification period is set up for Mr. K and a June/July MN certification period is set up for Mr. And Mrs. K

If Mr. K wants retroactive coverage, his eligibility would have to be determined under another coverage group because he did not live with Ms. K and the children.

9. Addition of Household Member Reported Timely; Cancellation and Automatic Redetermination; Information Received after 10th of Month:

Mr. Q and his children receive Medicaid under FMAP. On April 20, Mrs. Q joins the household and the change is timely reported to the Department. Mrs. Q requests Medicaid and has unearned income. The worker requests necessary information and it is timely provided May 11.

The unearned income makes the family over income for FMAP. If time permits, the worker completes an automatic redetermination to MN for the parents in May, effective June 1. However, a redetermination **must** be completed no later than timely notice in June effective July 1. No claim is established in either situation.

The children remain continuously eligible under FMAP until the annual review. If they are over income for MAC at the annual review, they are referred to *hawk-i*.

Alternative Scenario: If the information is not provided by the due date, a Notice of Cancellation is sent canceling Medicaid effective June 1.

If the information is received after timely notice in May, June benefits are reopened and a redetermination would be completed effective July 1. No claim is established.

10. Addition of Household Member Not Reported Timely; Cancellation and Automatic Redetermination; Information Received after 10th of Month:

Mr. S and his children receive Medicaid under FMAP. On April 20, Mrs. S joins the household and the change is reported to the Department untimely on June 30. Mrs. S requests Medicaid and has unearned income. The worker requests necessary information and it is timely provided July 19.

The unearned income makes the family over income for FMAP. An automatic redetermination must be completed no later than August effective September 1 for Mr. and Mrs. S. If appropriate, a claim is established beginning in May for Mr. S.

If eligibility is only under Medically Needy with a spenddown, the certification periods are May/June and July/August.

The children remain continuously eligible under FMAP until the annual review. If they are over income for MAC at the annual review, they are referred to *hawk-i*.

Note: If the annual review is due in April, May or June, continuous eligibility may not apply and an overpayment may have occurred on the children.